

# CUET BUSINESS STUDIES

## Solution Set A

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1. Identify the Principle of Management where Taylor pioneered the introduction of method of scientific inquiry into the domain of management practice.

- (1) Science, not rule of thumb
- (2) Harmony not discord
- (3) Cooperation, not individualism
- (4) Development of each and every person to the greatest efficiency and prosperity

**Ans. (1)**

**Explanation:** This principle is the core of Frederick Winslow Taylor's Scientific Management theory. He contended that this was not a good way of accomplishing tasks because the system was based on gut feeling or rule of thumb. Rather he suggested that scientific methods should be applied in exploring the ways of improving the operation process itself for the purpose of enhancing the efficiency.

2. Match List-I with List-II on the basis of Management Principles:

List-I	List-II
(A) Obedience to organisational rules	(I) Unity of direction
(B) One boss for every individual employee	(II) Remuneration of employees

(C) One head and one plan	(III) Discipline
(D) Remuneration should be just and equitable	(IV) Unity of command

Choose the correct answer from the options given below

- (1) (A)-(I), (B) - (II), (C) - (III), (D) - (IV)
- (2) (A)-(I), (B)-(III), (C) - (II), (D) - (IV)
- (3) (A)-(I), (B) (II), (C) - (IV), (D) - (III)
- (4) (A)-(III), (B) - (IV), (C) - (I), (D) - (II)

Ans. (1) (A)-(I), (B) - (II), (C) - (III), (D) - (IV)

3. The aim of which technique given by F.W. Taylor is to reduce a given line or a product to fixed types, sizes and characteristics?

- (1) Method study
- (2) Time study
- (3) Standardisation of work
- (4) Functional foremanship

Ans. (3)

**Explanation:** Taylorian Scientific Management justified standardization to maximize efficiency. This included standardizing the processes used for the tasks, the tools and materials used in the task, and the quality of product and waste generated.

4. Under which dimension of business environment is Online Booking of Air Tickets" included?

- (1) Legal dimension
- (2) Economic dimension

**(3) Technical dimension**

**(4) Social dimension**

**Ans. (3)**

**Explanation:** Here's why:

- Legal dimension is concerned with laws and regulations to which businesses are subject. It does not mean that online booking platforms have to comply with these but these are not the key to define the service itself.
- Political dimension takes into account the elements of market, inflation, and economic growth. Online booking can still affect these factors but it is not the main basis of the service.
- Social dimension concerns itself with how businesses influence society and their relations with stakeholders. Social effect of online booking: There is social implication of online booking but this is not the most appropriate dimension.
- Technical dimension refers to technology utilized to carry out business transactions. Online booking companies are entirely technology based in terms of bookings, data and even communication. This is why it is the best dimension for this service.

**5. Which of the following is an example of economic environment?**

**(1) Money supply in economy**

**(3) Life expectancy**

**(2) Constitution of the country**

**(4) Population shifts**

**Ans. (1)**

**Explanation:** Money supply is a crucial factor as it affects interest rates, inflation and overall economic activities.

**6. Which of the following is an example of legal environment?**

- (1) Death Birth Ratio
- (2) Trade Union Act
- (3) Prevailing Political System
- (4) Public Debt

**Ans. (2)**

**Explanation:** Trade union act is a legal document that outlines regarding worker rights and collective bargaining.

**7. Which of the following does not characterise business environment?**

- (1) Inter-related
- (2) External forces
- (3) Market orientation and product
- (4) Relativity

**Ans. (3)**

**Explanation:** Market orientation and product are internal factors related to company's strategy and offerings. These can be affected by business environment so they are not characteristics of the environment itself.

**8. Identify the correct sequence of steps under the Planning function**

- (A) Setting objectives
- (B) Identifying alternative courses of action
- (C) Developing premises

(D) Evaluating alternative courses of action

Choose the correct answer from the options given below:

- (1) (A), (B), (C), (D)
- (2) (A), (C), (B), (D)
- (3) (B), (A), (D), (C)
- (4) (C), (B), (D), (A)

Ans. (2)

Explanation: Here's why:

- (A) Setting objectives: This is the first step and is where one identifies what they want to accomplish. What do you want to achieve?
- (C) Developing premises: After identify your goals you should think about expectations about the future which may influence your planning. This could include things like market trends, economic factors, and technology.
- (B) Identifying alternative courses of action: After you have clearly identified your objectives and assumptions, you can start thinking of strategies that you will employ to achieve your goal. What are the alternatives?
- (D) Evaluating alternative courses of action: Last but not least, you have to evaluate every option against the criterion of feasibility, risk, cost, and reward. This will enable you to decide the right course of action that will allow you to meet your goals.

9. Identify the correct sequence of Selection process:

- (A) Selection decision
- (B) Employment interview

- (C) Selection tests
- (D) Reference checking

Choose the correct answer from the options given below:

- (1) (A), (B) (C), (D)
- (2) (A), (C), (B) (D)
- (3) (B), (A), (D) (C)
- (4) (C), (B), (D), (A)

Ans. (4)

Explanation: Here's why:

- (C) Selection tests: This could be through using ability tests, skills assessments or personality tests to assess the candidate's fitness for this position. (Note: This step may not be necessary in all selection processes)
- (B) Employment interview: Candidates are selected and invited for interviews as they filter through the application and resume. This makes the process of assessing their skills, experience and suitability for the company's culture more comprehensive.
- (D) Reference checking: References may be requested by employers to confirm information included by the candidate on CV.
- (A) Selection decision: According to the results of the tests, interviews, and reference checks, the final selection decision on which candidate will be hired for the job is reached.

10. "It is a joint programme of training in which educational institutions and business firms cooperate" Identify the method of training.

- (1) Vestibule training

- (2) Apprenticeship training
- (3) Internship training
- (4) Job rotation

Ans. (3)

Explanation: It is a joint programme of training in which educational institutions and business firms cooperate. Selected candidates carry on regular studies for the prescribed period. They also work in some factory or office to acquire practical knowledge and skills.

11. Match List-I with List-II on the basis of meaning and name of the concept:

List-I	List-II
(A) Choosing the most appropriate candidate	(I) Selection
(B) Candidate is given an introduction to superiors	(II) Orientation
(C) Learning the skills related to a job	(III) Recruitment
(D) Searching for prospective employees	(IV) Training

Choose the correct answer from the options given below:

- (1) (A)-(I), (B)-(II), (C) - (III), (D) - (IV)
- (2) (A)-(I), (B)-(III), (C) - (II), (D) - (IV)
- (3) (A)-(I), (B)-(II), (C) - (IV), (D) - (III)
- (4) (A)-(III), (B)-(IV), (C) - (I), (D) - (II)

Ans. (3) (A)-(I), (B)-(II), (C) - (IV), (D) - (III)

12. Which of the following is a process of incitement or inducing subordinates to act in a desired manner to achieve organisational goals ?

- (1) Motivation
- (2) Supervision
- (3) Leadership
- (4) Communication

Ans. (1)

Explanation: Here's why motivation is the best fit choice -

- Motivation refers to the process of encouraging people to do what they want them to do. In an organizational setting, it entails persuading employees to pursue organizational goals. This makes sense as definition of incitement or inducing subordinates to act in a desired manner.
- Management is all about guiding employees' activities to achieve their objectives. It does not command change but it monitors change.
- Leadership is a wider term which includes direction, influence, and followership. It can consist of motivational elements but is not limited to this.
- Communication is the exchange of information and ideas. Motivation however cannot be achieved by clear communication alone.

13. Find the correct sequence of needs as given by Maslow in his Need Hierarchy Theory.

- (A) Belongingness needs
- (B) Safety and Security needs
- (C) Self-actualisation needs



(D) Esteem needs

Choose the correct answer from the options given below:

(1) (A), (B), (C), (D)

(2) (A), (C), (B), (D)

(3) (B), (A), (D), (C)

(4) (C), (B), (D), (A)

Ans. (3)

Explanation: Here's why:

- (B) Safety and Security needs: These are the requirements necessary for basic physical and emotional stability such as food, clothing, and protection from violence.
- (A) Belongingness needs: There are basic needs that need to be fulfilled before people seek for love or acceptance.
- (D) Esteem needs: This level requires elements such as self-esteem, confidence, achievement, recognition, and respect from others.
- (C) Self-actualisation needs: At the top of the pyramid stands self-actualization that is about becoming one's best and achieving personal dreams.

14. \_\_\_\_\_ is a process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals."

(1) Motivation

(2) Supervision

(3) Leadership

(4) Communication

Ans. (3)

Explanation: Leadership is the process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals.

15. Which of the following is not a limitation of Controlling?

- (1) Costly affair
- (2) Resistance from employees
- (3) Ensure order and discipline
- (4) Little control on external factors

Ans. (3)

Explanation: Ensuring order and discipline is a fundamental objective of controlling, and it is not a limitation but rather a desired outcome.

16. "Only a 5% increase in labour cost may be more troublesome than a 15% increase in postal charges Identify the concept pointed out in the statement.

- (1) Deviation
- (2) Critical point control
- (3) Break-even analysis
- (4) Critical path method

Ans. (2)

Explanation: Critical point control focuses on identifying and managing key areas that have a significant impact on overall performance.

17. Identify the Consumer Right - "The consumer has the freedom to access variety of products at competitive prices. This implies that the marketers should offer a wide variety of products in terms of quality, brand, prices, size, etc."

- (1) Right to Safety
- (2) Right to Seek Redressal
- (3) Right to be Assured
- (4) Right to Consumer Education

Ans. (3)

Explanation: The consumer has the freedom to access variety of products at competitive prices. This implies that the marketers should offer a wide variety of products in terms of quality, brand, prices, size, etc. and allow the consumer to make a choice from amongst these.

18. Identify the method of floatation in Primary Market wherein a company sells securities enbloc at an agreed price to a broker.

- (1) Rights issue
- (2) Offer for sale
- (3) e-IPOS
- (4) Offer through Prospectus

Ans. (2)

Explanation: Here's why:

- Rights issue: It involves selling of new stock to existing shareholders to obtain capital. These shareholders have the "right" to repurchase these shares in line with their previous ownerships.
- Offer for sale: This method entails the company making sales in bulk (enbloc) to an intermediary such as a broker or an investment house at a fixed price. These intermediaries then come back to lend to the public at a possibly higher price.
- e-IPOS (electronic Initial Public Offers): This is a way in which companies use an electronic system to sell their shares to the

shareholders or members of the public directly. It relates to applications on the internet and balloting procedures.

- Offer through Prospectus: This is the conventional approach whereby a company releases a prospectus – a document containing information regarding the company's financial position, subsequent strategies and the offer of its security. The public will then proceed to register for the shares directly through the prospectus.

19. Match List-I with List-II on the basis of meaning and the term:

List-I (Meaning)	List-II (Term)
(A) Right to command	(I) Answerability
(B) Obligation to perform task	(II) Delegation
(C) Accountability	(III) Authority
(D) Basis of management hierarchy	(IV) Responsibility

Choose the correct answer from the options given below:

- (1) (A)-(I), (B)-(II), (C) - (III), (D) - (IV)
- (2) (A)-(I), (B)-(III), (C) - (II), (D)-(IV)
- (3) (A)-(I), (B)-(II), (C) - (IV), (D) - (III)
- (4) (A)-(III), (B) - (IV), (C) - (I), (D)-(II)

Ans. (4) (A)-(III), (B) - (IV), (C) - (I), (D)-(II)

20. The market where existing securities are bought and sold is known as

- (1) Primary market
- (2) Secondary market
- (3) Capital market
- (4) Financial market

Ans. (2) Secondary market

Explanation: The secondary market is the place where financial backers, investors purchase and sell securities they currently own. It is the thing that a great many people regularly consider as the 'stock market,' however stocks are additionally sold on the primary market when they are first issued.